

REMARKS

This application was originally filed on 13 October 1998, 1997 with forty two claims, five of which were written in independent form. Claims 20, 41 and 42 were canceled, and Claim 28 was amended on 9 May 2003. Claim 30 has been amended herein, and Claims 43-53 have been added. Claims 1-19 and 21-24 are allowed. Claims 25-40 and 43-53 have been rejected.

The Examiner made the Office Action mailed 22 September 2004 final. The applicant respectfully submits that the finality of the rejection is improper and requests that it be withdrawn.

Section 706.07(a) of the MPEP states:

Under present practice, second or any subsequent actions on the merits shall be final, except where the examiner introduces a new ground of rejection that is neither necessitated by applicant's amendment of the claims nor based on information submitted in an information disclosure statement filed during the period set forth in 37 CFR 1.97(c) with the fee set forth in 37 CFR 1.17(p). . . .

Furthermore, a second or any subsequent action on the merits in any application or patent undergoing reexamination proceedings will not be made final if it includes a rejection, on newly cited art, other than information submitted in an information disclosure statement filed under 37 CFR 1.97(c) with the fee set forth in 37 CFR 1.17(p), of any claim not amended by applicant or patent owner in spite of the fact that other claims may have been amended to require newly cited art.

The Examiner stated, "Applicant's arguments filed on 1/21/2004 have been fully considered but they are moot in view of new ground (s) of rejection." As the applicant did not amend Claims 25-40, or file an information disclosure statement, and the Examiner admits the new rejection is a new ground of rejection, the finality of the rejection is improper and should be withdrawn.

Claim 25 was rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 4,593,353 to Pickholtz ("Pickholtz"). The applicant respectfully disagrees.

"A person shall be entitled to a patent unless," creates an initial presumption of patentability in favor of the applicant. 35 U.S.C. § 102. "We think the precise language of 35

U.S.C. § 102 that, “a person shall be entitled to a patent unless,” concerning novelty and unobviousness, clearly places a burden of proof on the Patent Office which requires it to produce the factual basis for its rejection of an application under sections 102 and 103, see *Graham and Adams*.” *In re Warner*, 379 F.2d 1011, 1016 (C.C.P.A. 1967) (referencing *Graham v. John Deere Co.*, 383 U.S. 1 (1966) and *United States v. Adams*, 383 U.S. 39 (1966)). “As adapted to *ex parte* procedure, *Graham* is interpreted as continuing to place the ‘burden of proof on the Patent Office which requires it to produce the factual basis for its rejection of an application under sections 102 and 103’.” *In re Piasecki*, 745 F.2d 1468 (Fed. Cir. 1984) (citing *In re Warner*, 379 F.2d at 1016).

“The *prima facie* case is a procedural tool which, as used in patent examination (as by courts in general), means not only that the evidence of the prior art would reasonably allow the conclusion the examiner seeks, but also that the prior art compels such a conclusion if the applicant produces no evidence or argument to rebut it.” *In re Spada*, 911 F.2d 705, 708 n.3 (Fed. Cir. 1990).

The applicant respectfully submits the Examiner has failed to meet the burden of proof required to establish a *prima facie* case of anticipation. Section 2131 of the Manual of Patent Examiner’s Procedure provides:

“A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described in a single prior art reference.” *Verdegaal Bros. v. Union Oil Co. Of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053, (Fed. Cir. 1987). . . . “The identical invention must be shown in as complete detail as contained in the . . . claim.” *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989). The elements must be arranged as in the claim under review *In re Bond*, 910 F.2d 831, 15 USPQ2d 1566 (Fed. Cir. 1990).

The Examiner has failed to present any teaching in Pickholtz that teaches “an identification system module corresponding to said digital storage medium, said identification system module containing an authorization code describing which media players are authorized to read digital data from said digital storage medium” as recited by Claim 25.

In contradistinction to “an identification system module” recited by Claim 25, Pickholtz teaches “stored on disc 18 together with the proprietary software are a first authorization code and a second authorization code.”

In contradistinction to “an authorization code describing which media players are authorized to read digital data from said digital storage medium” recited by Claim 25, Pickholtz teaches a system that reads from the media, but will not execute the software read from the media unless an authorization code generated by the PRN generator match.

Claim 26 was rejected under 35 U.S.C. § 102(b) as being anticipated by Pickholtz. The applicant respectfully disagrees.

Claim 26 depends from Claim 25 and should be deemed allowable for that reason and for further reciting, “said digital storage medium comprising an optical disc.” As the Examiner has not pointed to any reference in Pickholtz that shows, teaches, or suggests this limitation, Pickholtz cannot be held to anticipate Claim 26 and the Examiner’s rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 27 was rejected under 35 U.S.C. § 102(b) as being anticipated by Pickholtz. The applicant respectfully disagrees.

Claim 27 depends from Claim 25 and should be deemed allowable for that reason and for further reciting, “said identification system module comprising a TIRIS transponder.” As the Examiner has not pointed to any reference in Pickholtz that shows, teaches, or suggests this limitation, Pickholtz cannot be held to anticipate Claim 27 and the Examiner’s rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 28 was rejected under 35 U.S.C. § 102(b) as being anticipated by Pickholtz. The applicant respectfully disagrees.

Claim 28 depends from Claim 25 and should be deemed allowable for that reason and for further reciting, “said identification system module comprising a radio frequency transponder.” As the Examiner has not pointed to any reference in Pickholtz that shows, teaches, or suggests this limitation, Pickholtz cannot be held to anticipate Claim 28 and the Examiner’s rejection is

unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 29 was rejected under 35 U.S.C. § 102(b) as being anticipated by Pickholtz. The applicant respectfully disagrees.

Claim 29 depends from Claim 25 and should be deemed allowable for that reason and for further reciting, "said identification system stores usage information." As the Examiner has not pointed to any reference in Pickholtz that shows, teaches, or suggests this limitation, Pickholtz cannot be held to anticipate Claim 29 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 30 was rejected under 35 U.S.C. § 102(b) as being anticipated by Pickholtz. The applicant respectfully disagrees.

Claim 30 depends from Claim 29 and should be deemed allowable for that reason and for further reciting, "said usage information comprises information concerning the number of time said digital data has been read." As the Examiner has not pointed to any reference in Pickholtz that shows, teaches, or suggests this limitation, Pickholtz cannot be held to anticipate Claim 30 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 31 was rejected under 35 U.S.C. § 102(b) as being anticipated by Pickholtz. The applicant respectfully disagrees.

The Examiner has failed to present any teaching in Pickholtz that teaches "attaching an identification system module to said digital storage medium, said identification system module containing an authorization code indicating which media readers are authorized to read said digital storage medium" as recited by Claim 31.

In contradistinction to "attaching an identification system module to said digital storage medium" recited by Claim 31, Pickholtz teaches "stored on disc 18 together with the proprietary software are a first authorization code and a second authorization code."

In contradistinction to "an authorization code indicating which media readers are authorized to read said digital storage medium" recited by Claim 31, Pickholtz teaches a system

that reads from the media, but will not execute the software read from the media unless an authorization code generated by the PRN generator match.

Claim 32 was rejected under 35 U.S.C. § 102(b) as being anticipated by Pickholtz. The applicant respectfully disagrees.

Claim 32 depends from Claim 31 and should be deemed allowable for that reason and for further reciting, "writing digital data onto an optical disc." As the Examiner has not pointed to any reference in Pickholtz that shows, teaches, or suggests this limitation, Pickholtz cannot be held to anticipate Claim 32 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 33 was rejected under 35 U.S.C. § 102(b) as being anticipated by Pickholtz. The applicant respectfully disagrees.

Claim 33 depends from Claim 31 and should be deemed allowable for that reason and for further reciting, "attaching an RF identification system to said digital storage medium." As the Examiner has not pointed to any reference in Pickholtz that shows, teaches, or suggests this limitation, Pickholtz cannot be held to anticipate Claim 33 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 34 was rejected under 35 U.S.C. § 102(b) as being anticipated by Pickholtz. The applicant respectfully disagrees.

Claim 34 depends from Claim 31 and should be deemed allowable for that reason and for further reciting, "attaching a TIRIS responder to said digital storage medium." As the Examiner has not pointed to any reference in Pickholtz that shows, teaches, or suggests this limitation, Pickholtz cannot be held to anticipate Claim 34 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 35 was rejected under 35 U.S.C. § 102(b) as being anticipated by Pickholtz. The applicant respectfully disagrees.

Claim 35 depends from Claim 31 and should be deemed allowable for that reason and for further reciting, "adding a digital watermark to said digital data." Watermarks are discussed on

lines 8-18 of page 10 of the specification. As the Examiner has not pointed to any reference in Pickholtz that shows, teaches, or suggests this limitation, Pickholtz cannot be held to anticipate Claim 35 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 36 was rejected under 35 U.S.C. § 102(b) as being anticipated by Pickholtz. The applicant respectfully disagrees.

Claim 36 depends from Claim 31 and should be deemed allowable for that reason and for further reciting, "reading said digital data from said digital storage medium; and storing usage information on said digital storage medium." Usage information is described from line 3 of page 16 through line 7 of page 17. As the Examiner has not pointed to any reference in Pickholtz that shows, teaches, or suggests this limitation, Pickholtz cannot be held to anticipate Claim 36 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 37 was rejected under 35 U.S.C. § 102(b) as being anticipated by Pickholtz. The applicant respectfully disagrees.

Claim 37 depends from Claim 31 and should be deemed allowable for that reason and for further reciting, "reading said digital data from said digital storage medium; and transmitting usage information to a collection agency." As the Examiner has not pointed to any reference in Pickholtz that shows, teaches, or suggests "usage information," much less transmitting usage information to a collection agency, Pickholtz cannot be held to anticipate Claim 37 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 38 was rejected under 35 U.S.C. § 102(b) as being anticipated by Pickholtz. The applicant respectfully disagrees.

Claim 38 recites, "storing usage information concerning said reading step on said storage media; and transmitting said information to an information collection agency." Usage information is described from line 3 of page 16 through line 7 of page 17.

The Examiner has failed to attempt to read Pickholtz on the above recited limitations of independent Claim 38. The Examiner's rejection therefore is unsupported by the prior art, fails

to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 39 was rejected under 35 U.S.C. § 102(b) as being anticipated by Pickholtz. The applicant respectfully disagrees.

Claim 39 depends from Claim 38 and should be deemed allowable for that reason and for further reciting, "storing usage information concerning said reading step in an identification system module attached to said storage media." As the Examiner has not pointed to any reference in Pickholtz that shows, teaches, or suggests this limitation, Pickholtz cannot be held to anticipate Claim 39 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 40 was rejected under 35 U.S.C. § 102(b) as being anticipated by Pickholtz. The applicant respectfully disagrees.

Claim 40 depends from Claim 38 and should be deemed allowable for that reason and for further reciting, "transferring said identification system to a distributor." As the Examiner has not pointed to any reference in Pickholtz that shows, teaches, or suggests this limitation, Pickholtz cannot be held to anticipate Claim 40 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 43 was rejected under 35 U.S.C. § 102(b) as being anticipated by 4,117,605 to Kurland *et al.* ("Kurland"). The applicant respectfully disagrees.

Claim 43 recites, "a digital storage medium for storing digital data; and an identification system module corresponding to said digital storage medium, said identification system module containing an authorization code, said authorization code operable to authorize certain media players to read said digital data when an identifier code in said media player matches said authorization code."

The Examiner has failed to present any teaching in Kurland that the media is a "digital storage medium for storing digital data" as recited by Claim 43. Kurland teaches away from the use of a digital storage medium by utilization of a "conventional multitrack magnetic playback head 34" "operatively connected to" "a conventional four channel audio amplifier 36." (Column

6, lines 53-54 and column 7, lines 10-12.) As Kurland does not show, teach, or suggest a "digital storage medium for storing digital data" as recited by Claim 43, Kurland cannot be held to anticipate Claim 43 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Furthermore, the Examiner has failed to present any teaching in Kurland of "identification system module containing an authorization code, said authorization code operable to authorize certain media players to read said digital data when an identifier code in said media player matches said authorization code" as recited by Claim 43.

The specification, from line 18 of page 12 through line 18 of page 13 describes the process by which the authorization data is read from identification module and compared to an identifier of the media player.

Kurland describes the use of an authorization code, but only teaches "via passageways 76, 78, 80, and 82 by way of example, is an example, is an optically readable code." The reader is authorized is the passageways channel light to the correct set of photodetectors.

While Kurland's passageways may enable a reader to determine if it should play Kurland's tape, they do not constitute an "authorization code operable to authorize certain media players to read said digital data when an identifier code in said media player matches said authorization code" as recited by Claim 43. Thus, the identification module or passageways of Kurland do not in themselves describe authorized readers. As Kurland does not show, teach, or suggest a "an identification system module containing an authorization code describing which media players are authorized to read digital data from said digital storage medium" as recited by Claim 43, Kurland cannot be held to anticipate Claim 43 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 44 was rejected under 35 U.S.C. § 102(b) as being anticipated by Kurland. The applicant respectfully disagrees.

Claim 44 depends from Claim 43 and should be deemed allowable for that reason and for further reciting, "said digital storage medium comprising an optical disc." As the Examiner has not pointed to any reference in Kurland that shows, teaches, or suggests this limitation, Kurland

cannot be held to anticipate Claim 44 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 45 was rejected under 35 U.S.C. § 102(b) as being anticipated by Kurland. The applicant respectfully disagrees.

Claim 45 depends from Claim 43 and should be deemed allowable for that reason and for further reciting, "said identification system module comprising a radio frequency transponder." As the Examiner has not pointed to any reference in Kurland that shows, teaches, or suggests this limitation, Kurland cannot be held to anticipate Claim 45 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 46 was rejected under 35 U.S.C. § 102(b) as being anticipated by Kurland. The applicant respectfully disagrees.

Claim 46 depends from Claim 43 and should be deemed allowable for that reason and for further reciting, "said identification system stores usage information." As the Examiner has not pointed to any reference in Kurland that shows, teaches, or suggests this limitation, Kurland cannot be held to anticipate Claim 46 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 47 was rejected under 35 U.S.C. § 102(b) as being anticipated by Kurland. The applicant respectfully disagrees.

Claim 47 depends from Claim 46 and should be deemed allowable for that reason and for further reciting, "said usage information comprises information concerning the number of times said digital data has been read." As the Examiner has not pointed to any reference in Kurland that shows, teaches, or suggests this limitation, Kurland cannot be held to anticipate Claim 47 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 48 was rejected under 35 U.S.C. § 102(b) as being anticipated by Kurland. The applicant respectfully disagrees.

The Examiner has failed to present any teaching in Kurland suggesting "writing digital data onto a digital storage medium" as recited by Claim 48. Kurland teaches away from the use of a digital storage medium by utilization of a "conventional multitrack magnetic playback head 34" "operatively connected to" "a conventional four channel audio amplifier 36." (Column 6, lines 53-54 and column 7, lines 10-12.) As Kurland does not show, teach, or suggest a "writing digital data onto a digital storage medium" as recited by Claim 48, Kurland cannot be held to anticipate Claim 48 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Furthermore, the Examiner has failed to present any teaching in Kurland of "said identification system module containing an authorization code, said authorization code operable to authorize certain media players to read said digital data when an identifier code in said media player matches said authorization code" as recited by Claim 48.

The specification, from line 18 of page 12 through line 18 of page 13 describes the process by which the authorization data is read from identification module and compared to an identifier of the media player.

Kurland describes the use of an authorization code, but only teaches "via passageways 76, 78, 80, and 82 by way of example, is an example, is an optically readable code." The reader is authorized is the passageways channel light to the correct set of photodetectors.

While Kurland's passageways may enable a reader to determine if it should play Kurland's tape, they do not constitute an "authorization code operable to authorize certain media players to read said digital data when an identifier code in said media player matches said authorization code" as recited by Claim 48. Thus, the identification module or passageways of Kurland do not in themselves indicate authorized readers. As Kurland does not show, teach, or suggest a "said identification system module containing an authorization code, said authorization code operable to authorize certain media players to read said digital data when an identifier code in said media player matches said authorization code" as recited by Claim 48, Kurland cannot be held to anticipate Claim 48 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 49 was rejected under 35 U.S.C. § 102(b) as being anticipated by Kurland. The applicant respectfully disagrees.

Claim 49 depends from Claim 48 and should be deemed allowable for that reason and for further reciting, "writing digital data onto an optical disc." As the Examiner has not pointed to any reference in Kurland that shows, teaches, or suggests this limitation, Kurland cannot be held to anticipate Claim 32 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 50 was rejected under 35 U.S.C. § 102(b) as being anticipated by Kurland. The applicant respectfully disagrees.

Claim 50 depends from Claim 48 and should be deemed allowable for that reason and for further reciting, "attaching an RF identification system to said digital storage medium." As the Examiner has not pointed to any reference in Kurland that shows, teaches, or suggests this limitation, Kurland cannot be held to anticipate Claim 50 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 51 was rejected under 35 U.S.C. § 102(b) as being anticipated by Kurland. The applicant respectfully disagrees.

Claim 51 depends from Claim 48 and should be deemed allowable for that reason and for further reciting, "adding a digital watermark to said digital data." Watermarks are discussed on lines 8-18 of page 10 of the specification. As the Examiner has not pointed to any reference in Kurland that shows, teaches, or suggests this limitation, Kurland cannot be held to anticipate Claim 51 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 52 was rejected under 35 U.S.C. § 102(b) as being anticipated by Kurland. The applicant respectfully disagrees.

Claim 52 depends from Claim 48 and should be deemed allowable for that reason and for further reciting, "reading said digital data from said digital storage medium; and storing usage information on said digital storage medium." Usage information is described from line 3 of page 16 through line 7 of page 17. As the Examiner has not pointed to any reference in Kurland that

shows, teaches, or suggests this limitation, Kurland cannot be held to anticipate Claim 52 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

Claim 53 was rejected under 35 U.S.C. § 102(b) as being anticipated by Kurland. The applicant respectfully disagrees.

Claim 53 depends from Claim 48 and should be deemed allowable for that reason and for further reciting, "reading said digital data from said digital storage medium; and transmitting usage information to a collection agency." As the Examiner has not pointed to any reference in Kurland that shows, teaches, or suggests "usage information," much less transmitting usage information to a collection agency, Kurland cannot be held to anticipate Claim 53 and the Examiner's rejection is unsupported by the prior art, fails to establish a prima facie case of anticipation, and therefore is defective and should be withdrawn.

In view of the amendments and the remarks presented herewith, it is believed that the claims currently in the application accord with the requirements of 35 U.S.C. § 112 and are allowable over the prior art of record. Therefore, it is urged that the present claims are in condition for allowance. Reconsideration of the present application is respectfully requested.

Respectfully submitted,



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